

## Message Text

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16

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 FCC-03 NSC-07 SEC-03 L-03

SS-20 EUR-25 SCA-01 CIAE-00 INR-10 NSAE-00 RSC-01

JUSE-00 OTPE-00 DRC-01 TRSE-00 /102 W

----- 030894

R 051620Z JUN 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 7197

C O N F I D E N T I A L SAN JOSE 2132

PASS TO E.T. MOORE-266

E.O. 11652: N/A

TAGS: ESTC, CS

SUBJECT: PRE-LICENSING EXPORT TRANSACTION CHECK: TELEONCE, S.A.

REF: STATE A-3156

1. TELEONCE, S.A. (WTDR MAY, 1974) WAS ESTABLISHED IN MID-1973 AS AN ASSOCIATE OF TELECA TELEVISION S.A. (WTDR MAY, 1974). TELECA SUCCEEDED TELE-VICTORIA S.A., A WHOLY OWNED AMERICAN TV STATION, IN FEB., 1972 WHEN IT WAS UNSUCCESSFUL IN OBTAINING A RENEWAL OF ITS LICENSE AND SUBSEQUENTLY SOLD ITS ASSETS TO TELECA.

2. ALTHOUGH THE OFFICIAL PUBLIC REGISTER LISTS THREE COSTA RICANS AND TWO CUBAN AMERICANS AS EQUAL OWNERS OF TELECA'S STOCK AND ITS BOARD OF DIRECTORS, THE ACTUAL FINANCIAL BACKING IS PROVIDED BY A GROUP OF LOCAL BUSINESSMEN, SAID TO INCLUDE THE FORMER PRESIDENT OF THE REPUBLIC, JOSE FIGUERES AND ROBERT VESCO.

3. UPON PURCHASING THE ASSETS OF TELEVICTORIA, TELECA RECEIVED AUTHORITY FROM GOCR TO IMPORT EQUIPMENT  
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DUTY FREE, A PRIVILEGE NOT ENJOYED BY OTHER

LOCAL TV STATIONS. WITH THE ESTABLISHMENT OF TELEONCE IN MID-1973, IT WAS PERMITTED TO USE THE STUDIOS AND EQUIPMENT ACQUIRED BY TELECA.

4. TELEONCE'S OFFICIAL STOCKHOLDERS AND BOARD OF DIRECTORS ARE ALMOST IDENTICAL TO TELECA'S. MR. MANUEL LOPEZ TRIGO, THE PRINCIPAL STOCKHOLDER OF RECORD AND OWNER OF 2,800 SHARES (ALL BEARER SHARES) OF TELEONCE'S \$100 STOCK, IS A FORMER \$3,000 A YEAR EMPLOYEE OF USIS IN SAN JOSE.

5. MR. JESUS VILLARAUS, GENERAL MANAGER OF TELEONCE AND TWO MEMBERS OF THE BOARD OF DIRECTORS CALLED ON THE EMBASSY ON MAY 10 AND AGAIN ON MAY 13 URGENTLY SEEKING ASSISTANCE IN LOCATING A U.S. INVESTOR TO PROVIDE \$100,000 IN EXCHANGE FOR 20 PERCENT TO 50 PERCENT EQUITY AND MANAGEMENT PARTICIPATION. THEY EXPLAINED THEIR URGENT NEED FOR ADDITIONAL CAPITAL WAS TO FINALIZE TELEONCE'S EXPANSION OF ITS FACILITIES TO COVER THE ENTIRE COUNTRY AND TO PAY FOR EQUIPMENT, THIS TIME INCLUDING DUTIES, ALREADY ORDERED. HOWEVER, THEIR WILLINGNESS TO NEGOTIATE EQUITY (20 PERCENT TO 50 PERCENT) WITHIN SUCH A WIDE LATITUDE SEEMED TO BE AN ACT OF DESPERATION AND AND MAY HAVE, IN FACT, BEEN INSPIRED BY OTHER REASONS THAN THOSE EXPRESSED.

6. IN A RECENT PRESS CONFERENCE, THE NEW PRESIDENT OF THE REPUBLIC DISCUSSED AT LENGTH, HIS LETTER OF MAY 7, 1974 TO MR. VESCO. PRESIDENT ODUBER STATED THAT HE WILL SHORTLY PROPOSE A BILL THAT WILL REQUIRE ALL SHARES OF COMMERCIAL MEDIA CORPORATIONS TO BE NOMINATIVE AND TOTALLY HELD BY COSTA RICANS. HE FURTHER SUGGESTED THAT MR. VESCO LIQUIDATE HIS HOLDING IN THESE TYPE OF COMPANIES.

7. NEITHER TELECA TELEVISION, S.A., TELEONCE, S.A. NOR ANY OF THE OFFICIALS OF THE TWO COMPANIES ARE INCLUDED IN THE ECONOMIC DEFENSE LIST. EMBASSY UNABLE TO UNCOVER ANY DEROGATORY INFORMATION ABOUT THESE COMPANIES OR THEIR OFFICIALS THAT WOULD LEAD

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US TO BELIEVE THEM UNRELIABLE RECIPIENTS OF U.S. ORIGIN SENSITIVE EQUIPMENT. ASSUMING INFORMATION PROVIDED CONCERNING POSSIBLE CONNECTION WITH VESCO IS NOT AN ISSUE IN ISSUANCE OR DENIAL OF EXPORT LICENSES, EMBASSY PERCEIVES NO REASONS WHY THIS LICENSE SHOULD NOT BE ISSUED.  
LANE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STRATEGIC TRADE CONTROLS, TRANSACTION CHECKS, EXPORT LICENSES, TAPE RECORDERS, TELEVISION BROADCASTING, INVESTMENT OPPORTUNITIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** DG ALTERED  
**Executive Order:** GS  
**Errors:** N/A  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRE-LICENSING EXPORT TRANSACTION CHECK: TELEONCE, S.A.  
**TAGS:** ESTC, CS, US, TELEONCE SA, TELECA TV SA, TELEVICTORIA SA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005